

March 13, 2015

The Honorable Denise L. Cote
United States District Court for the Southern District of New York
Daniel Patrick Moynihan U.S. Courthouse
500 Pearl Street
New York, NY 10007

The Honorable John W. Lungstrum
The Honorable James P. O'Hara
United States District Court for the District of Kansas
500 State Avenue, Suite 517
Kansas City, KS 66101

The Honorable George H. Wu
United States District Court for the Central District of California
312 North Spring Street
Los Angeles, CA 90012-4701

Re: *NCUA v. RBS Securities, Inc., et al.*, No. 11-cv-2340 (D. Kan.)
NCUA v. RBS Securities, Inc., et al., No. 11-cv-5887 (C.D. Cal.)

Dear Judges Cote, Lungstrum, Wu, and O'Hara:

Pursuant to the Courts' March 10, 2015 Order, the parties respectfully submit this supplemental status report "describing their efforts to confer regarding loan file stipulations proposed to the Nomura Defendant Group by NCUA."

There are two securitizations at issue in NCUA's cases against Nomura. NCUA only recently proposed stipulations to Nomura. NCUA first served 98 proposed stipulations directed to Nomura on January 30, 2015 (the "NHELI 2007-1 Stipulations"), and served an additional 96 stipulations directed to Nomura on February 3, 2015 (the "NAA 2006-AR4 Stipulations").

At Nomura's request, NCUA agreed to a two-week extension for Nomura to respond to the proposed stipulations. Thus, Nomura's responses to the NHELI 2007-1 Stipulations were not due until, and were served on, March 6, 2015 – the same date on which the parties submitted their most recent Loan File Reunderwriting Protocol status report ("LFRP Report") to the Courts. Nomura's responses to the NAA 2006-AR4 Stipulations were not due until, and were served on, March 10, 2015 – after the most recent LFRP Report was submitted. Nomura has now provided NCUA with responses to all of the proposed stipulations directed to it.

As set forth in its stipulation responses, Nomura disagrees with all of NCUA's proposed loan-file stipulations because it believes, among other things, that NCUA has identified the wrong bates ranges for all of the subject loans. Nomura spent considerable time and effort locating and identifying certain of the documents that it believes should have been included in NCUA's proposed stipulations, including the bates ranges of those missing documents, and it has identified those documents, and their bates ranges, on its stipulation responses.

Additionally, Nomura disagrees with all of NCUA's proposed underwriting-guideline stipulations. Unlike many of the other defendants, there was no single originator or small group of originators that originated the loans within the Nomura trusts at issue. Rather, a diverse group of unrelated originators originated the loans, which Nomura subsequently purchased on the secondary market. NCUA proposed applying a single set of Nomura underwriting guidelines to all of the subject loans. Nomura does not believe that the guidelines identified by NCUA apply to any of the subject loans. Nomura has spent considerable time and effort locating and identifying by bates number the guidelines it believes do apply to certain of the loans, and it has included the bates numbers of those guidelines within its responses.

Under § (e) of the Loan File Reunderwriting Protocol, NCUA has 21 days from the receipt of Nomura's stipulation responses to reply to them, which is March 27, 2015 for the NHELI 2007-1 Stipulations and March 31, 2015 for the NAA 2006-AR4 Stipulations. Thus, as of the date of this report, NCUA has not yet had a chance to respond to Nomura's stipulation counterproposals.

In sum, while no agreements have been reached to date, the stipulation process between NCUA and Nomura has only recently begun, is continuing, and the parties have not reached impasse on any stipulations at this time.

Respectfully submitted,

/s/ Barbara S. Steiner

Barbara S. Steiner
Matthew J. Thomas
JENNER & BLOCK LLP
353 N. Clark St.
Chicago, IL 60654
Phone: 312-923-2611
Fax: 312-840-7611

*Attorneys for Nomura Home Equity Loan, Inc.
and Nomura Asset Acceptance Corp.*

/s/ Stephen M. Tillery

David C. Frederick
Wan J. Kim
Gregory G. Rapawy
Andrew C. Shen
Kellogg, Huber, Hansen, Todd,
Evans & Figel, P.L.L.C.
Sumner Square
1615 M Street, N.W., Suite 400
Washington, D.C. 20036
Tel: (202) 326-7900
Fax: (202) 326-7999
dfrederick@khhte.com
wkim@khhte.com
grapawy@khhte.com
ashen@khhte.com

George A. Zelcs
Korein Tillery LLC
205 North Michigan Avenue, Suite 1950
Chicago, IL 60601
Tel: (312) 641-9750
Fax: (312) 641-9751
gzels@koreintillery.com

Stephen M. Tillery
Greg G. Gutzler
Robert L. King
Korein Tillery LLC
505 North Seventh Street, Suite 3600
St. Louis, MO 63101
Tel: (314) 241-4844
Fax: (314) 241-3525
stillery@koreintillery.com
ggutzler@koreintillery.com
rking@koreintillery.com

Norman E. Siegel (D. Kan. # 70354)
Rachel E. Schwartz (Kan. # 21782)
Stueve Siegel Hanson LLP
460 Nichols Road, Suite 200
Kansas City, MO 64112
Tel: (816) 714-7100
Fax: (816) 714-7101
siegel@stuevesiegel.com
schwartz@stuevesiegel.com

Marc M. Seltzer (54534)
Bryan Caforio (261265)
SUSMAN GODFREY L.L.P.
1901 Avenue of the Stars, Suite 950
Los Angeles, California 90067-6029
Telephone: (310) 789-3100
Fax: (310) 789-3150
mseltzer@susmangodfrey.com
bcaforio@susmangodfrey.com

Attorneys for Plaintiff National Credit Union Administration Board